

ASSOCIATION OF C5 YOUTH PROGRAMS, INC.
FINANCIAL STATEMENTS WITH
INDEPENDENT ACCOUNTANT'S REVIEW REPORT
DECEMBER 31, 2022 AND 2021

ASSOCIATION OF C5 YOUTH PROGRAMS, INC.
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of the
Association of C5 Youth Programs, Inc.

We have reviewed the accompanying financial statements of the Association of C5 Youth Programs, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Association of C5 Youth Programs, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Scappini & Pina, P.C.
Norwell, Massachusetts
October 2, 2023

ASSOCIATION OF C5 YOUTH PROGRAMS, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 68,402	\$ 386,400
Contributions receivable	41,000	46,750
Pledges receivable	40,000	15,500
Prepaid expenses	2,000	4,500
Total current assets	151,402	453,150
 Property and equipment, net (Note 4)	 -	 -
Total assets	\$ 151,402	\$ 453,150
LIABILITIES AND NET ASSETS		
Current liabilities:		
Due to affiliates	\$ 47,900	\$ 280,104
Total current liabilities	47,900	280,104
Net assets:		
Without donor restrictions	63,502	157,546
With donor restrictions	40,000	15,500
Total net assets	103,502	173,046
Total liabilities and net assets	\$ 151,402	\$ 453,150

See accompanying notes and independent accountant's review report.

ASSOCIATION OF C5 YOUTH PROGRAMS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating activities:				
Revenues and gains:				
Contributions	\$ 114,008	\$	\$ 114,008	\$ 146,520
Pledged revenue	-	40,000	40,000	-
Golf tournament income, net of expenses of \$153,197 and \$133,916, respectively	514,738	-	514,738	523,767
Other income	482	-	482	883
Total revenues, gains and support before releases	629,228	40,000	669,228	671,170
Net assets released from restrictions	15,500	(15,500)	-	-
Total revenues, gains and support	644,728	24,500	669,228	671,170
Expenses:				
Program	691,354	-	691,354	670,493
Supporting Services:				
Administrative	31,418	-	31,418	32,103
Fundraising	16,000	-	16,000	16,000
Total supporting services	47,418	-	47,418	48,103
Total expenses	738,772	-	738,772	718,596
Change in net assets	(94,044)	24,500	(69,544)	(47,426)
Net assets at beginning of year	157,546	15,500	173,046	220,472
Net assets at end of year	\$ 63,502	\$ 40,000	\$ 103,502	\$ 173,046

See accompanying notes and independent accountant's review report.

ASSOCIATION OF C5 YOUTH PROGRAMS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

2022

	Program	Administrative	Fundraising	Total
Contributions of golf tournament proceeds to affiliate organizations	\$ 331,335	\$ -	\$ -	\$ 331,335
Professional services	343,997	30,566	16,000	390,563
Insurance	1,474			1,474
Office expense	625	704		1,329
Association meeting expenses	13,173			13,173
Licenses, fees & permits		148		148
Bad debt expense	750			750
Total expenses	<u>\$ 691,354</u>	<u>\$ 31,418</u>	<u>\$ 16,000</u>	<u>\$ 738,772</u>

2021

	Program	Administrative	Fundraising	Total
Contributions of golf tournament proceeds to affiliate organizations	\$ 448,296	\$ -	\$ -	\$ 448,296
Professional services	218,447	31,235	16,000	265,682
Insurance	1,530			1,530
Office expense	866	708		1,574
Association meeting expenses	192			192
Program supplies	1,162			1,162
Licenses, fees & permits		160		160
Total expenses	<u>\$ 670,493</u>	<u>\$ 32,103</u>	<u>\$ 16,000</u>	<u>\$ 718,596</u>

See accompanying notes and independent accountant's review report.

ASSOCIATION OF C5 YOUTH PROGRAMS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (69,544)	\$ (47,426)
Changes in operating assets and liabilities:		
Accounts receivable	5,750	33,893
Pledges receivable	(24,500)	5,800
Prepaid expenses	2,500	(2,000)
Accounts payable	-	(135)
Due to affiliates	(232,204)	63,802
Total adjustments	(248,454)	101,360
Net cash (used in)/provided by operating activities	(317,998)	53,934
Net change in cash and cash equivalents	(317,998)	53,934
Cash and cash equivalents, at beginning of year	386,400	332,466
Cash and cash equivalents, at end of year	\$ 68,402	\$ 386,400

See accompanying notes and independent accountant's review report.

ASSOCIATION OF C5 YOUTH PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

1. Nature of Organization and Significant Accounting Policies

Organization

Association of C5 Youth Programs, Inc. (the Association) was formed in 2010. C5 Youth Program is a leadership and college access program for high potential, low income teens. The Association of C5 Youth Programs supports independent C5 sites by developing program and curriculum, conducting staff training, and fundraising.

Basis of Accounting and Presentation

The Association's accounts are maintained, and these statements are presented, on the accrual basis of accounting to present the results of activities and financial position in conformity with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 18, 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence of absence of donor-imposed restrictions. Accordingly, the net assets of the Association and changes therein are classified as follows:

- Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. The Association's board may designate assets without restrictions for specific operational purposes from time to time.
- Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions are recorded as increases in net assets without donor restrictions unless use of the related assets are limited by donor-imposed restrictions that are not fulfilled in the year. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by the law. All expenses are reported as decreases in net assets without donor restrictions. Satisfaction of donor-imposed restrictions on net assets, that is, the satisfaction of the donor-imposed stipulated purpose or the elapsing of specified time period, are reported as net assets released from donor restrictions.

ASSOCIATION OF C5 YOUTH PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

1. Nature of Organization and Significant Accounting Policies – Continued

Pledges that are scheduled to be received after the end of the reporting period are shown as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the time restriction is met.

Contributions

The Association recognizes unconditional promises to give as contribution revenue. The present value of future cash flows associated with an unconditional promise to give is recorded as pledge revenue in the year the promise is made. Contributions to be received after one year are discounted using the borrowing rate for the Association applicable to the years in which the promises are received. Contribution revenue is recognized related to the amortization of the discount associated with each multi-year donation over the term of the donation's future cash flows using the effective interest-rate method. The allowance for uncollectible contributions receivable is based on management's estimate of the amount expected to be uncollectible considering historical experience and the information management is able to obtain regarding the financial condition and intentions of its donors.

Contributions of equity securities and other non-cash donations are valued based on the fair value of the donated asset on the date the Association recognizes the contribution revenue. The Association's policy is to convert securities contributed by donors to cash as soon as practicable after receiving legal title to the securities.

The Association records gifts of cash and other assets as net assets with donor restrictions support if they are received with donor stipulations that temporarily limit the use of the donated assets or specify receipt of the funds in a future year. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions expire in the same reporting period as received are reported as net assets without donor restrictions. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Association's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be more unusual or nonrecurring nature.

ASSOCIATION OF C5 YOUTH PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

1. Nature of Organization and Significant Accounting Policies – Continued

Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments with remaining maturities at acquisition of three months or less, except for investments to be applied to specific purposes that are included in the Association's long-term investment strategies.

Property and Equipment

The Association capitalizes the cost of expenditures in excess of \$1,000 for vehicles and other property and equipment. Depreciation is recorded using the straight-line method over the respective estimated useful lives of these assets, typically three to five years.

Functional Expenses

The costs of providing programing and other activities have been summarized on the functional basis in the statement of activities. Accordingly, certain costs have been allocated amount program costs and supporting services benefited. Such allocations are determined by management on an equitable basis based on time and effort.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Tax Exempt Status

The Association is exempt from federal income taxes under the provisions of Section 501 (c)(3) of the Internal Revenue Code. Income from certain activities not directly related to the Association's tax-exempt purpose is subject to taxation as unrelated business income. For the years ended December 31, 2022 and 2021, the Association did not have any unrelated business income, and accordingly, no unrelated business income tax. The Association believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions (based on a "more-likely-than-not" standard for substantiation) that are material to the financial statements. The Association's IRS filings for the previous three years remain subject to examination.

Concentration of Credit Risk

The Association maintains a bank account with one financial institution. For the year ended December 31, 2022, the balance in the Association's bank account did not exceed the Federal Deposit Insurance Corporation (FDIC) \$250,000 limit, therefore the account was fully insured as of December 31, 2022. For the year ended December 31, 2021, the balance in the Association's bank account exceeded the Federal Deposit Insurance Corporation (FDIC) \$250,000 limit, therefore \$136,400 was uninsured as of December 31, 2021.

Approximately 16% and 18% of the Association's revenues were provided by two donors for the years ended December 31, 2022 and 2021, respectively.

ASSOCIATION OF C5 YOUTH PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

2. Cash and Cash Equivalents

Cash and cash equivalents of \$68,402 and \$386,400 were not subject to donor restrictions as of December 31, 2022 and 2021, respectively.

3. Pledges Receivable, Net

Pledges receivable are recorded at the present value of estimated future cash flows. Pledges receivable greater than one year were discounted at 5%. The fair value of the Association's pledges receivable approximates the carrying value, after the unamortized discount. Pledges receivable at December 31, 2022 and 2021 were \$40,000 and \$15,500, respectively. There were no pledges receivable extending beyond one year as of December 31, 2022.

4. Property and Equipment, Net

The following table summarizes property, plant and equipment, net by major asset class at December 31:

	<u>2022</u>	<u>2021</u>
Vehicles	\$ 5,500	\$ 5,500
Equipment	<u>9,575</u>	<u>9,575</u>
Total property and equipment	15,075	15,075
Less accumulated depreciation	<u>(15,075)</u>	<u>(15,075)</u>
Total property and equipment, net	<u>\$ 0</u>	<u>\$ 0</u>

Depreciation expense totaled \$0 for the years ended December 31, 2022 and 2021.

5. Net Assets with Donor Restrictions

There are \$40,000 and \$15,500 of net assets with donor restrictions as of December 31, 2022 and 2021, respectively. The net assets with donor restrictions are related to the pledges receivable recorded at year end.

6. Related Organizations

The Association administers certain programs for the C5 Youth Programs. The four members of the Association are C5 Youth Foundation of Georgia (C5 Georgia), C5 Youth Foundation of Southern California, C5 Youth Foundation of Texas, and C5 - New England, which is now operated under that name by Crossroads for Kids, a 501(c)(3) organization. Each member will appoint a member of their local Board of Trustees to simultaneously serve as a voting Trustee of the Association. As a result, each member has only one vote on the Association's Board. The Association operates out of the C5 – New England office and utilizes the property and equipment of the office.

During 2022 and 2021, the Association sponsored a golf tournament benefitting the four affiliates. Net proceeds of \$514,738 and \$523,767 from the tournaments were distributed to the four affiliates as follows: 2022 – 22.5% to each affiliate and 2021 – 22.5% to each affiliate. At December 31, 2022 and 2021, the Association owed the four affiliates a total of \$27,900 and \$280,104, respectively for the golf tournament.

ASSOCIATION OF C5 YOUTH PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

6. Related Organizations (continued)

During 2022 and 2021, the Association received contributions of \$20,000 and \$10,000, respectively, restricted for the affiliates. At December 31, 2022 and 2021, the Association owed the four affiliates a total of \$20,000 and \$0, respectively related to these restricted contributions.

The detail of the amounts due to the affiliates at December 31, 2022 is as follows: \$11,975 to C5 – Georgia, \$11,975 to C5 – Southern California, \$11,975 to C5 – New England and \$11,975 to C5 – Texas. The detail of the amounts due to the affiliates at December 31, 2021 is as follows: \$17,408 to C5 – Georgia, \$129,644 to C5 – Southern California, \$115,644 to C5 – New England and \$17,408 to C5 – Texas.

6. Liquidity

The Association's financial assets available within one year of the balance sheet date for general expenditures are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 68,402	\$ 386,400
Contributions receivable	41,000	46,750
Pledges receivable	40,000	15,500
Prepaid expenses	2,000	4,500
Total current assets	<u>\$ 151,402</u>	<u>\$ 453,150</u>

As part of the Association's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

7. Subsequent Events

Management has evaluated events and transactions which occurred through October 2, 2023, the date the financial statements were available to be issued. There were no significant subsequent events requiring recognition or disclosure in the financial statements.